




SUGAR LAND DEVELOPMENT CORPORATION


AGENDA REQUEST

AGENDA OF:	10-01-13	AGENDA REQUEST NO:	II-A
INITIATED BY:	NELDA MCGEE EXECUTIVE SECRETARY	RESPONSIBLE DEPARTMENT:	CITY SECRETARY
PRESENTED BY:	GLENDA GUNDERMANN, CITY SECRETARY	DIRECTOR:	GLENDA GUNDERMANN, CITY SECRETARY 
		ADDITIONAL DIRECTOR (S):	N/A

SUBJECT / PROCEEDING:	MINUTES SUGAR LAND DEVELOPMENT CORPORATION MEETING SEPTEMBER 03, 2013 APPROVE SEPTEMBER 03, 2013 MINUTES
------------------------------	---

EXHIBITS:	MINUTES SEPTEMBER 03, 2013
------------------	-----------------------------------

CLEARANCES

LEGAL:	N/A	DIRECTOR:	REGINA MORALES,  ECONOMIC DEVELOPMENT
PURCHASING:	N/A	EXECUTIVE DIRECTOR:	N/A
BUDGET:	N/A	ASSISTANT CITY MANAGER:	N/A

BUDGET

EXPENDITURE REQUIRED: \$	N/A
CURRENT BUDGET: \$	N/A
ADDITIONAL FUNDING: \$	N/A

RECOMMENDED ACTION

Approve minutes of Sugar Land Development Corporation meeting September 03, 2013.

EXHIBITS

STATE OF TEXAS §
COUNTY OF FORT BEND §
CITY OF SUGAR LAND §

**CITY OF SUGAR LAND
SUGAR LAND DEVELOPMENT CORPORATION MEETING
TUESDAY, SEPTEMBER 03, 2013**

REGULAR MEETING

The Sugar Land Development Corporation convened in regular meeting, open to the public, in the Cane Room 161 of Sugar Land City Hall on Tuesday, September 03, 2013 at 4:00 o'clock P.M. and the roll was called of the members to wit:

Amy Mitchell, President
Himesh Gandhi, Vice President
Harish Jajoo, Director
James A. Thompson, Director
Bridget Yeung, Director
Joe Zimmerman, Director
Stephen Porter, Director

QUORUM PRESENT

All of said members were present, with the exception of Director Thompson, who arrived at 4:20 o'clock P.M.

Also present were:
Allen Bogard, General Manager
Karen Daly, Assistant City Manager
Mary Ann Powell, City Attorney
Regina Morales, Director of Economic Development
Jennifer Brown, Director of Budget and Research
Mr. Christopher Steubing, City Engineer
Jim Callaway, Executive Director, Community Development
Michael Goodrum, Executive Director, Management Services
Nelda McGee, Executive Secretary and
A Number of Staff and Visitors

CONVENE MEETING

President Mitchell convened the session, open to the public, to order at 4:00 o'clock P.M.

MINUTES

President Mitchell introduced consideration on the minutes of Sugar Land Development Corporation meeting August 06, 2013.

MINUTES (CONTINUED)

Following a full and complete discussion, **Director Zimmerman**, seconded by **Director Gandhi** made a motion to approve the minutes of Sugar Land Development Corporation meeting August 06, 2013. The motion carried unanimously.

BUDGET

President Mitchell introduced consideration on amending Fiscal Year 2013 Budget to Projections and approval of Sugar Land Development Corporation Fiscal Year 2014 Budget.

Ms. Jennifer Brown, Director of Budget and Research, stated the proposed budget was reviewed with the Board August 06, 2013; since that time, the TIRZ Assignment has been reduced to reflect the certified tax roll value of \$500,000.00. Fiscal Year 2013 projections include proceeds from the October 01, 2013 bond issuance and funding for Performing Arts Center (PAC) design work.

Director Porter questioned whether there were any economic concerns with the proposed budget. **Ms. Brown** responded there were no concerns stating staff is confident with the budget as presented. The majority of revenue is sales tax; August sales tax came in higher than budgeted therefore, staff is confident moving forward with the revenue estimates. Projections were kept at budget for the current fiscal year; based on year-to-date numbers, staff anticipates collections will be higher and increased the amount by 2.7% for Fiscal Year 2014.

Director Yeung asked for more detailed information regarding the TIRZ Assignment. **Ms. Brown** stated that the original \$600,000.00 estimate was based on a preliminary roll; at that time, the uncertified commercial revaluation was approximately 13.5%. The certified tax roll came in with approximately 6.6% increase on the commercial side, which had a substantial impact on the final taxable value for the TIRZ.

Following a full and complete discussion, **Director Jajoo**, seconded by **Director Zimmerman**, made a motion to approve Fiscal Year 2013 Budget to Projections and Fiscal Year 2014 Budget for Sugar Land Development Corporation. The motion carried unanimously.

PERFORMING ARTS CENTER

President Mitchell introduced consideration on authorizing execution of a Contract in the maximum amount of \$6,345,000 with Martinez + Johnson Architecture for design of Sugar Land Performing Arts Center, CIP MU1304.

Mr. Christopher Steubing, City Engineer, introduced **Mr. Gary Martinez, Martinez + Johnson Architecture**, and **Mr. David Anderson, ACE SL, LLC**, and presented an overview of the Performing Arts Center project:

PERFORMING ARTS CENTER (CONTINUED)

Background

- Letter of Intent with ACE – August 2012
- Programming and Schematic
 - Kickoff – October 2012
 - Completed – April 2013
 - SLDC approved schematic & program – June 2013
- SLDC budget review and approval – July 2013
- City Council approved Development Agreement with ACE SL, LLC – July 23, 2013

Program and Schematic

- Venue size ~200,000 square feet
 - Seating configuration
 - 6,500 max
 - Adjustable to 4,500 and 2,800
 - Front of House
 - Administrative offices
 - Lobby
 - Box Office
 - Sponsor area
 - Public Restrooms
 - Concession/Catering areas
 - Storage (Concession, Sponsor, Merchandise, etc.)
 - Back of House
 - Dressing rooms
 - Green room/multi-purpose room
 - Mechanical/Electrical
 - Loading dock
 - Storage
 - Proscenium Theater
 - House – Orchestra, Balconies, Loge seats, Suites (lounge, catering, restrooms)
 - Stage
 - Orchestra pit
 - Control room
- Site Improvements
 - Civil layout
 - Parking (VIP, staff, others)
 - Drive aisles
 - Circulation
 - On street drop-off
 - Landscape
 - Fountain
 - Site landscaping
 - Screening

PERFORMING ARTS CENTER (CONTINUED)

Design Contract

- Martinez + Johnson Architecture selected
 - Developed Program and Schematics
 - Extensive experience with Performing Arts Venues
 - Strong local sub-consultant team
- Scope
 - Venue
 - Related parking (employee, VIP, artist)
 - Landscape
 - Site Civil
 - Geotech
- Scope Breakdown

Architecture – Martinez + Johnson / Studio Red (Houston)	Graphics – The Douglas Group (Houston)
Structure – Walter P. Moore (Houston)	Landscape Architecture – SWA (Houston)
Mechanical/Electrical/Plumbing – CEG (Houston)	Architectural Lighting – Schuler Shook (Texas)
Theater Planning – Schuler Shook (Texas)	Traffic – Walter P. Moore (Houston)
Acoustics – WJHW (Texas)	Civil – Walter P. Moore (Houston)
Audio Visual – WJHW (Texas)	Geotechnical – Terracon (Houston)
Kitchen/Concession – Worrell Design (Houston)	Security/Data/Power – WJHW (Texas)
Survey- Gorrondona and Associates	Specification Writing – Arron

- Includes Design Development, Construction Drawings, and Bid Negotiation (Construction Manager at Risk)
- Construction Administration - Future

Design Schedule

- Notice to Proceed upon contract approval
- Total Design Schedule - 10 months
 - Design Development Phase
 - 5 months (January 2014)
 - Construction Drawing Phase
 - 5+ months
- Martinez + Johnson will establish local presence to facilitate schedule
- Completion – July 2014

PERFORMING ARTS CENTER (CONTINUED)

Design Budget

- Total Design Budget - \$6,610,000 (includes preconstruction services budgeted for Construction Manager at Risk)
- Total Design Cost - \$6,120,000
 - Design Development - \$2,142,000
 - Construction Drawings - \$3,672,000
 - Bidding/Negotiations - \$306,000
- Reimbursables - capped at \$225,000
- Total Design Cost and Reimbursables - \$6,345,000
- Construction Administration – Budgeted Separately (future contract)

Project Schedule

- Request for Qualifications - Resident Project Representative: late September 2013
- Construction Manager at Risk Shortlist: September 20, 2013
- Construction Manager at Risk Agreement: October 22, 2013
- Resident Project Representative Contract: November 2013
- Request for Qualifications - Plaza Design: Fall/Winter 2013
- Request for Qualification - Parking Lot Design: Fall/Winter 2013
- Marquee Sign Location/Design/Construction: in progress

The Engineering and Economic Development Departments recommend that Sugar Land Development Corporation authorize the design contract with Martinez + Johnson Architecture for the Sugar Land Performing Arts Center in a maximum amount of \$6,345,000 funded from CIP MU1304.

Director Jajoo questioned how the number of seats is determined using the adjustable seating configuration. **Mr. Steubing** stated the number of seats is based on facility layout, alignment and functionality. Seating for different events will be designated by distinct curtains and borders closing off certain areas. Blocking off the entire balcony area will reduce seating to approximately 2,800; shutting down only the upper balcony will seat approximately 4,500; seating will be determined by ACE, based on the needs of different artists and events.

Director Jajoo questioned whether the ability to transform to a smaller capacity venue will attract more events. **Mr. David Anderson, ACE SL, LLC**, confirmed and stated that there will be many events that are able to fill 3,000 to 4,000 seats; hosting them in a 6,500 seat venue will make the auditorium appear half-empty. The design is intended to make the artists and the audience feel comfortable and to attract a much broader range of artists. **Mr. Gary Martinez, Martinez + Johnson Architects**, stated the driver for these thresholds come from operations and programming; the architecture is tailored to fit the different size venues.

Staff was asked whether funding for design work is a not to exceed \$6,610,000 based on time and materials. **Mr. Steubing** affirmed, stating that staff verified the fees and level of effort breakdown included with the agreement.

PERFORMING ARTS CENTER (CONTINUED)

The Board discussed the design development phase of the contract. **Mr. Steubing** stated that design development defines the finishes and other project details not covered in the program and schematic. After design development details are finalized, construction drawings are done to further develop the approved design. **Mr. Martinez** commented that the design development process provides checkpoints for the architect to ensure performance criteria for the venue are being met. From the operations side, the architects have to meet the requirements set forth in the Development Agreement the City executed with ACE; from the budget side, they have to monitor costs to make sure they stay within the parameters described at the beginning of the project.

Director Jajoo questioned whether there will be a more accurate cost estimate for the project. **Mr. Martinez** replied affirmatively; **Mr. Steubing** stated that there are multiple milestones planned throughout the process for revised estimates. Cost estimates will be performed by the Construction Manager at Risk (CMAR), the architects, and resident project representative at the end of design development; estimates will be done at 30%, 60%, and 90% of construction drawings.

Staff was asked whether the plaza initiative is part of the architect's basic services. **Mr. Steubing** replied that the architect will coordinate and collaborate on the design. Once the designer is selected, they will become part of the meeting discussions.

Mr. Steubing stated the goal is to have the CMAR by the end of October. The intent is to have a full collaborative effort as soon as possible, so if there are any issues, they can be addressed through the design and CMAR constructability process immediately rather than having to go back and redesign. **Mr. Martinez** commented that the design team agrees with the approach for bringing the CMAR into the process as early as possible.

The Board discussed what steps would be taken during the second phase if a cost estimate comes in higher than budget. **Mr. Steubing** explained that staff would review CMAR and design constructability issues for "big-picture" design components (exterior/interior finishes/lighting) that could be modified to decrease cost. If the cost difference is significant, they will look at reducing square footage. **Mr. Steubing** commented that staff has already brought down cost by \$21 to \$22 million through schematic design efforts; the unknown element is market conditions. If there is a problem with supply or materials after a decision has been made, staff may come back to the Board to discuss the possibility of a Phase I CMAR to resolve the issues. No additional costs would be triggered; everything in the agreement through 30% of construction drawings is the responsibility of the architect.

Mr. Steubing stated that 24 months has been determined as an appropriate time frame based on the size of the facility and conversations with the architect and other contractors. It may be possible to reduce the time to 20 or 22 months, depending on how the CMAR facilitates the group. The performing arts center is being designed with a three-dimensional design tool, so any potential conflicts or issues can be identified sooner. **Mr. Steubing** reminded the Board that this is one building, and trade contractors will have to wait on structural completion before they can get started; progress is dependent on how the CMAR staffs the project to meet the schedule.

PERFORMING ARTS CENTER (CONTINUED)

Mr. Gandhi requested additional background information on the architect. **Mr. Martinez** stated that Martinez + Johnson Architects has been in business for 20 years. Performing art venues comprise 95% of current work; stating they design all sizes of entertainment venues, from 50 to 15,000 seats. The firm is culturally and philosophically aligned with Studio Red Architects on this project. Studio Red is based in Houston, Martinez + Johnson is based in Washington D.C., but will be opening an office in Sugar Land to facilitate the project. Martinez + Johnson, has a small office in New York, but they develop venues across the nation. Mr. Martinez emphasized that the team of consultants for the project represents excellence in professional collaboration.

Director Yeung asked whether there are some entertainers who refuse to perform in larger venues. **Mr. Anderson** responded that most artists want to perform to a full-house; the ability to make a 6,500-seat theatre look and feel intimate at 2,000 to 2,500 seating capacity is a tremendous asset. This capability will encourage Sugar Land and Fort Bend community activities that play to only 1,000 to 1,500 people. The goal is to be more things to more people, both audiences and the artists.

Director Porter requested that staff address Article 1, Section 1.1.6 of the agreement: "The Owner's requirements for accelerated or fast-track scheduling, multiple bid packages, or phased construction" **Mr. Steubing** responded that if the City decides to accelerate the schedule, the fee will have to be renegotiated.

Director Porter asked how the project will impact the progress of other CIP projects. **Mr. Steubing** stated it will not impact any other projects. Appropriate staffing decisions and a cultivated team environment allows the ultimate level of flexibility for covering multiple projects of different types. The goal is for all projects to be finished successfully and on time.

President Mitchell asked staff whether there were any incentives being offered for a quicker turnaround. **Mr. Steubing** answered no.

Mr. Martinez was asked if this was the largest venue Martinez + Johnson has designed. He responded no, stating they designed the Theatre of Performing Arts in Las Vegas, which has 7,500 seats. That venue is a comparable program; not as detailed, but with similar adjustability. The amphitheater in San Antonio is an equivalent size, and the amphitheater in Meridian, Mississippi has 15,000 seats. Mr. Martinez commented that this venue is the future of performing arts venues throughout the country.

President Mitchell asked who would be overseeing the office that Martinez + Johnson Architects is establishing locally. **Mr. Martinez** stated they are still looking at staffing; their Director of Construction is located in Boerne, Texas, and there have been discussions with her about taking over a portion of the operation. Martinez + Johnson will be working closely with Studio Red regarding team dynamics and staffing. Within the different time periods of work, there are different personnel needs, and both companies want to ensure that the right people are here for the different activities. Mr. Martinez said he will be here for most of the design phase, but the project manager and project architect are coordinating with Studio Red to make sure the process is seamless from beginning to end. There is not a need for a single person for the entire project; personnel needs change radically; the people needed for the design phase will not be the same that are needed when the project moves into construction documents; major components of the design team and structural/mechanical will remain.

PERFORMING ARTS CENTER (CONTINUED)

Following a full and complete discussion, *Director Jajoo*, seconded by *Director Zimmerman*, made a motion to approve the contract with Martinez + Johnson Architecture for design of the Performing Arts Center.

The motion carried unanimously.

ADJOURN REGULAR MEETING

There being no further business to come before the Corporation, the Regular meeting was adjourned, time 4:40 o'clock P.M.

Amy L. Mitchell, President

(SEAL)